GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2305
ANSWERED ON:21.07.2009
ENHANCING THE CAPACITY OF SUGAR MILLS
Ramasubbu Shri S.;Singh Shri Bhola

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government has received requests from various State Governments and the sugar industry to allow the production of Ethanol with a view to enhancing the viability of sugar mills in the country;

(b) if so, the details thereof including steps taken to provide incentives to the sugar industry;

(c) whether the Government proposes to amend the Sugarcane Control Order; and

(d) if so, the details thereof and the time by which a decision in this regard is likely to be taken?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION(PROF. K.V. THOMAS)

(a): The sugar factories are already permitted to produce ethanol. The production of ethanol from molasses improves the viability of the sugar factories.

(b): A concessional loan at the rate of 4% per annum is being provided from Sugar Development Fund to sugar factories for setting up projects for production of ethanol from molasses. In order to provide an assured market for ethanol, the Government has decided for 5% mandatory blending of ethanol with petrol from October, 2007 which was slated to increase to 10% all over the country except North-Eastern states, Jammu & Kashmir and Island territories. The Government has also fixed a uniform procurement price of Rs.21.50 per litre ex-factory.

(c)&(d): The Sugarcane (Control) Order, 1966 has already been amended to allow sugar factories to produce ethanol directly from sugarcane juice.